

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Gerald L. Zemer

Enforcement Case No. 06-4603

And

Ace Adjusting, Inc.

Respondents

Issued and entered,
on 26 April, 2007,
by Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

I.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Gerald L. Zemer ("Zemer") is a licensed resident adjuster for the insured with qualifications in fire and other hazards, authorized to transact the business of insurance adjusting in the State of Michigan. Zemer is the owner of Ace Adjusting, Inc. ("Ace Adjusting"). Zemer and Ace Adjusting are collectively referred to herein as Respondents.
2. As a licensed resident adjuster, Respondent Zemer knew, or had reason to know that Section 1227(3) of the Insurance Code, MCL 500.1227(3), provides that "[a]n adjuster for an insured shall not advance money or any other valuable thing to an insured pending adjustment of a claim."
3. On or about November 9, 2003, (the "Complainant") suffered a fire loss to her home located at Michigan.

4. On or about November 10, 2003, the Complainant signed an agreement with Respondent Ace Adjusting to "negotiate and adjust/appraise" the loss to her home. Respondent Zemer on behalf of Ace Adjusting signed the contract. The contract also provided that the Complainant would pay Respondent Ace Adjusting a sum "not to exceed ten percent (10%) of the final claim."
5. On or about November 10, 2003, the Complainant also signed a contract with Joint Venture Development ("Joint Venture") located in Flint, Michigan. Pursuant to the contract, Joint Venture was responsible for making all the necessary repairs caused by the fire to the Complainant's home located at [REDACTED] Michigan.
6. On November 18, 2003, Respondent Zemer advanced a check in the amount of \$500.00 to the Complainant, this amount was used to rent a dumpster in order to allow Joint Venture to immediately begin discarding waste materials from the Complainant's property. Respondent Zemer subsequently recouped the \$500.00 from the Complainant's insurance proceeds.
7. Based on the foregoing, Respondents have violated Section 1227(3) of the Insurance Code, thereby subjecting the Respondents to penalty under Sections 1242 and/or 1244 of the Insurance Code.

II. ORDER

Based on the findings of fact and conclusions of law above and Respondents' stipulation, it is **ORDERED** that:

1. Respondents shall cease and desist from violating the Insurance Code, including but not limited to Section 1227(3) of the Insurance Code.
2. Respondents shall pay to the State of Michigan a civil fine of Five Hundred Dollars (\$500.00). Upon execution of this Order, OFIS will send Respondents an Invoice for the civil fine, which will be due within 30 days of issuance of the Invoice.



Frances K. Wallace
Chief Deputy Commissioner

Dated: 28 April 2007